

OCA 3157-33

OFFICE OF CONGRESSIONAL AFFAIRS

Routing Slip

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation	X	
3. DD/Senate Affairs		X
4. Ch/Senate Affairs		
5. DD/House Affairs		X
6. Ch/House Affairs		
7. Admin Officer		
8. FOIA Officer		
9. Constituent Inquiries Officer		
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Action Officer:

Remarks:

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Name/Date



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

URGENT

OCA 3157-88

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer -

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SUBJECT: Draft Statement of Administration Position on S. 2756,
"Anti-Apartheid Act Amendments of 1988"

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than Tuesday, September 20, 1988.

Questions should be referred to Annette Rooney/Sue Thau (395-7300), the legislative analyst in this office.

Ronald K. Peterson
RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures

cc: L. Kaplan
A. B. Culvahouse, Jr.
A. Raul

September 22, 1988
(Senate)

S. 2756 - Anti-Apartheid Act Amendments of 1988
(Cranston (D) California and 7 others)

If S. 2756 is presented to the President, his senior advisers would recommend that it be vetoed because the bill undermines the President's ability to conduct an effective foreign policy. The Administration remains unalterably opposed to apartheid and supports effective action -- rather than ineffective legislation like S. 2756 -- to eliminate it.

Serious negotiations are now bearing fruit, under United States auspices, to rid Angola and Namibia of all foreign forces and bring Namibia to independence under U.N. Security Council Resolution 435. Enactment of S. 2756 would jeopardize South Africa's continued participation in this promising diplomatic initiative and undercut the negotiations. Now is the worse time for Congress to consider such inappropriate legislation.

The bill would impede rather than advance the goal of promoting further change in South Africa. If the measures called for in S. 2756 are enacted, they would lead to increased unemployment of black South Africans and have a significant impact on the U.S. economy and American jobs without hastening the end of apartheid. The proposed legislation would (1) cut off U.S. exports to South Africa worth \$1.13 billion in 1987; and (2) force American business to sell their nearly \$1 billion of direct investment in South Africa at fire-sale prices. Moreover, the extraterritorial reach of the disinvestment requirement and of the multilateral measures to enforce sanctions would undermine our relations with our allies.

Finally, the Administration opposes country-specific restrictions on U.S. intelligence or military cooperation with any foreign country because they hamper the Executive's ability to respond quickly and effectively to changing circumstances and because they raise Constitutional concerns.

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